such agreements in nearly every State and city, they have been compelled to withdraw from further business in Arkansas and to let the people there bear their own fire losses. Business interests are suffering and mass-meetings have been held to protest against the severity of this law. These laws are similar to those of our forefathers which were intended to regulate values, prices and trade. They prevent the free and beneficial exchange of products and interfere with progress."

The magnitude of the trust agitation in the United States can be appreciated when the American *Review of Reviews* has seen fit in the June number to give more than one-half of its valuable editorial space to articles on the subject. It says, in part:

"If the organization of labor, even to the extent of the complete and monopolistic control of a great many important trades, is defensible and is a part of the natural and unavoidable movement of economic society in our age, it may be none the less true that the combination of capital engaged in a given line of industry is also in the main trend of our economic development, and therefore not to be prevented either by denunciation or by enactments. Up to a certain point the old-fashioned competitive system was not wasteful, but, on the contrary, afforded a useful regulation of production and of price. The whole tendency, however, of business progress —especially in a country like ours where vastness of natural resources and the rapid growth of population promote the growth of small businesses into enterprises conducted on a large scale—seemed to render the competitive system inadequate and wasteful."

"The word trust as applied to this new method of amalgamation in industrial production is not accurate or well chosen. Some years ago, it is true, the name fairly applied to several combinations. Their plan was not to consolidate what had been competing properties, but to escape the wastefulness of the competitive methods and gain numerous advantages that would accrue from union and harmony. The respective owners did not give up the ownership of their properties, but they assigned their holdings of stock to a common board of trustees, which was authorized to operate the plants as one system, although separate corporations were nominally maintained. This arrangement, which constituted a trust in the literal sense, was assailed on legal grounds and was abandoned."

It is quite true that the magnitude of the operations in the United States make large combinations necessary for the economic handling of the vast and diversified products, and it is an open question whether the saving of wasted energy is not a benefit to the nation at large in putting the American people on a basis which enables them to compete in commerce with foreign nations. It certainly must have been something of a surprise to American labor organizations to note the English view of their brother workmen across the Atlantic upon the subject of trust combinations. In speaking of the ease with which American firms are obtaining English orders in competition with established concerns at home Mr. George N. Barnes, Secretary of the Amalgamated Society of Engineers, is quoted as saying that:

"The great advantage enjoyed by American producers arises from the centralization of industry. American combines, whatever temporary result to the status of workmen, have certainly resulted in a more economical use of labor. Centralization and specialization are giving an enormous advantage to American firms, and inasmuch as they are entirely on the line of progress, we would welcome them here."

It is probable that the question which is now agitating the American people will solve itself. Twenty years ago the Spreckels' interest here constituted a veritable trust but in that short time the combination has gradually changed hands and is dominated by a host of small investors. If the American people will see to it that the great combinations of capital do not use their power to destroy individual rights trust corporations may be made the means of advancing prosperity by conserving and concentrating the energies of the nation.

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South American Developments

Most of the South American States have increased their population several fold since they threw off the Spanish yoke. Only in a few States has foreign immigration been an important factor in the increase, though all the republics promote immigration by all means in their power. Even Paraguay, which is commonly regarded as the least enterprising among them, pays the passage of immigrants from Buenos Ayres and supplies oxen and farming tools, to be paid for in produce or labor. All the republics have vast, unoccupied spaces that some day will contribute largely to the national wealth. But at present there are not enough hands to till the soil or start the wheels of manufacture. Even in Chili, one of the most prosperous States, there is no densely peopled region except in the provinces around Valparaiso and Santiago. If any part of the civilized world has reason to declare that the human race is not equitably and rationally distributed, it is South America. With Europe overcrowded, and the United States no longer clamoring for foreign labor, there is no more inviting field than South America, and the coming century is certain to witness such a vast addition to the producing and consuming elements of the continent as to give it a high place in the world's industry. This fact is now undoubted, and it affirms the wisdom of those nations who are now laying broadly the foundations for the future development of their commercial relations with South America.

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Situation Growing Serious

The situation in the Philippines is growing more serious as time wears on. The sanguine expectation of the McKinley administration, that the complete pacification of the Philippines could be announced in a few weeks, is not being realized. On the contrary orders have been sent to all the recruiting stations to hasten the enlistment of men. It has been decided to increase General Otis' force to 35,000. The possibility of the necessity for a call for volunteers to serve in the Philippines is hinted at, while the very close censorship of news dispatches at Manila is very ominous. There must be something wrong. It cannot be supposed that our valiant men are being whipped and that the news is being suppressed. The American troops are certainly fighting at a very great disadvantage, and until enough men are sent General Otis to garrison points captured permanent success may not be looked for.

Mr. Schimmerhorn, well-known here, who enlisted with the California regiment, has just returned from Manila. He says that it is the prevailing opinion in the army that it will take 65,000 to 100,000 fighting men to pacify and occupy the islands. If so, why not send enough men over to quell the rebellion and have done with the disgraceful episode. It might be suggested that another General be sent, who is a little less arbitrary and has a better grasp of the local situation. Would it not have been better to have granted Aguinaldo an armistice pending the arrangement of a form of government satisfactory to the Filipinos than to have arbitrarily demanded unconditional surrender, which they are evidently in no mood to grant. At the Hague we are advocating the settling of difficulties by arbitration while in the Philippines in action we decline to arbitrate. It seems just a little bit inconsistent.

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The Philippines and Round About

Major C. J. Younghusband's book under this title is attracting considerable attention. Illustrative of Admiral Dewey's promptness and grasp of situation, Major Younghusband mentions this minor incident:

A letter was received one evening from Aguinaldo, saying that he had attempted to land on a certain small island in the bay and to take possession of it, together with some Spanish prisoners who had been left there, but had been prevented from carrying out the operation by the German man-of-war, the *Irene*, the captain of which ship appears to have been a singularly indiscreet person. The admiral –European complications or no complications—very naturally resented this second infraction of "sea manners," and calling on board the captains of the *Raleigh* and *Boston*, gave them explicit orders to proceed at once to the scene of dispute, and to land troops on the island *at all hazards*. These instructions were literally and promptly executed. The two American war-vessels cleared for action, run up their fighting pennants, and bore down in all earnestness upon the good German. The local emblem of the "mailed fist" had hardly bargained for this exceedingly prompt and robust action, and cleared out with more haste than decency, some say slipping his cable in his hurry, and left Aguinaldo and the Americans to effect the necessary capture.

In the extraordinary and unwarrantable behavior of the Germans lay the chief danger to the general peace, but German bluster was met with quiet dignity by the American commander, who showed the most undaunted front and clearly declared that if the Germans did not as neutrals adhere to the laws of neutrals he would fire on them:

"But that, sir, would mean war with Germany," said the horror-stricken German admiral. "I am perfectly aware of the fact," was the suave reply of Admiral Dewey. When the question of the bombardment of Manila was under discussion, a matter which lay entirely between the belligerents, and which remained for them, and them alone, to decide, the German admiral was again on the point of exceeding his rights as a neutral in interfering, and with a view to ascertaining whether the British squadron would support him, he visited Sir Edward Chichester, and asked what action he proposed taking in the event of the Americans bombarding the town. "That, sir, is known only to Admiral Dewey and myself," was Sir Edward Chichester's polite but crushing reply.

"Army officers at the seat of war," says the writer, "appear to be almost unanimous in deprecating the annexation of the Philippines on military grounds, while the naval opinion seems to be in favor of it on the ground that increasing commerce in Eastern Asia needs the fostering influence which the display of power in any quarter is supposed to bring." He adds:

It may perhaps be prophesied that when the cold fit which will in due course follow the warmth of the present enthusiasm, falls on the nation, America will discover the true parting of the ways was not in the actual act of annexation, but in having allowed Admiral Dewey to do more than defeat the Spanish fleet and exact a heavy indemnity from the city before sailing away, thus leaving the Philippine problem for the Spaniards and their friends to solve. The new masters of the islands have, in fact, been faced by two separate and distinct problems, the one connected with the external bearings of an-